



4
Fourth
Year
Award



HCDE

HARRIS COUNTY DEPARTMENT OF EDUCATION



Texas Comptroller
Leadership Circle
Gold Member

(unaudited)
Prepared by
Business Support Services Division

**HIGHLIGHTS
Of
INTERIM FINANCIAL REPORT
at June 30, 2013
and**

**BUDGET AMENDMENT REPORT
for the July 16, 2013 Board Meeting**

**(unaudited)
Prepared by
Business Support Services Division**

Always Taking Care of Business!



4
Fourth
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Texas Comptroller
Leadership Circle
Gold Member

Posted on our website at

<http://www.hcde-texas.org/default.aspx?name=BusinessServicesHome>

Linked from State Comptroller's website

<http://www.texastransparency.org/local/schools.php>

5 Awards Update of 7 coming

1. HCDE has received the ASBO – Award for the CAFR and Budget Document for the year ended 8-31-2013. (2)
2. HCDE has received the Letter of Distinction for the Investment Policy for the 2 yr period. (1)
3. Received the Transparency Award for the 4th year in a ROW. (1)
4. HCDE has received the GFOA – Award for Budget Document for the year ended 8-31-2013. (1)

NORTH FOREST ISD

- HCDE working with North Forest ISD has assisted the Business Office to earn the first ASBO Award in its history...
- HISD has engaged HCDE for the transition team for accounting and business functions.

INTERIM FINANCIAL REPORT (unaudited)

GENERAL FUND Balance Sheet at June 30, 2013

	ACTUAL
<u>ASSETS</u>	
Cash and Temporary Investments	\$ 29,291,593
Property Taxes-Delinquent at September 1, 2012	1,072,919
Less: Allowances for Uncollectible Taxes	(32,187)
Due from Federal Agencies	56,551
Other Receivables	2,094,184
Inventories	182,971
Deferred Expenditures	-
Other Prepaid Items	24,665
	TOTAL ASSETS:
	\$ 32,690,695
<u>LIABILITIES</u>	
Accounts Payable	95,222
Bond Interest Payable	-
Due to Other Funds	-
Accrued Wages	-
Payroll Deductions	1,359,013
Due to Other Governments	-
Deferred Revenue	1,071,675
	TOTAL LIABILITIES:
	\$ 2,525,910
<u>FUND EQUITY</u>	
Unassigned Fund Balance	11,970,558
Non-Spendable Fund Balance	111,719
Restricted Fund Balance	-
Committed Fund Balance	1,408,000
Assigned Fund Balance	5,563,590
Excess(Deficiency) of Revenues & Other Resources Over(Under) Expenditures & Other Uses	8,341,114
	TOTAL FUND EQUITY:
	\$ 27,394,981
Fund Balance Appropriated Year-To-Date	2,769,804
	TOTAL LIABILITIES, FUND EQUITY, AND FUND BALANCE APPROPRIATED TO DATE:
	\$ 32,690,695

INTERIM FINANCIAL REPORT (unaudited)

ASST. SUPERINTENDENT FOR BUSINESS SERVICES' MESSAGE As of June 30, 2013

The audited projected General Fund balance at 9/1/12 is \$21,823,671

•Assigned \$ 7,450,241

•Unassigned \$ 12,425,483

As of 6-30-2013, the estimated activity is: As the end of the year close is completed, a budget amendment will be submitted to the board for items assigned, restricted and

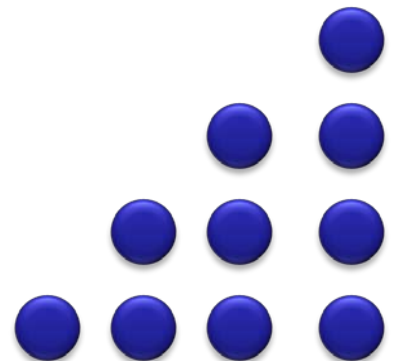
Description	9/1/2011	Appropriated YTD	Estimated Balance
Non-Spendable	\$111,719	\$ -	\$ 111,719
Restricted	428,228	(428,228)	-
Committed	1,408,000	-	1,408,000
Assigned	7,450,241	(1,886,651)	5,563,590
Unassigned	12,425,483	(454,925)	11,970,558
Total Fund Balance	\$ 21,823,671	\$ (2,769,804)	\$19,053,867

INTERIM FINANCIAL REPORT (unaudited)

As of June 30, 2013

Financial Ratios

- *Level One - Indicator of financial strength*
- *Level Two - Indicator of efficient leverage*
- *Level Three - Indicators of efficiency*
- *Level Four - Indicator of revenue growth*



INTERIM FINANCIAL REPORT (unaudited)

As of June 30, 2013

Indicator of Financial Strength



- Percent of Fund Balance to G/F Expenditures Ratio**

What is the percent of rainy fund balance?

- Working Capital Ratio**

What is the cash flow availability for the organization?

Unassigned Fund Balance 11,970,558

Total G/F Expenditures 34,433,087

Goal : > 30% of G/F Exp.
 Benchmark: 10% to 29%
 Danger: Under 10%

Total Current Assets Less Total Liabilities 30,164,786

Goal : >\$15,000,000
 Benchmark : \$10M to \$15M
 Danger : Under < \$10M

35%

Budgeted
31%

\$30 M

Details on Schedule 3

Details on Schedule 1

INTERIM FINANCIAL REPORT (unaudited)

As of June 30, 2013

Indicator of Efficient Leverage Reserves

<ul style="list-style-type: none"> Unassigned Fund Balance Ratio <p>How much is available in reserves?</p>	<ul style="list-style-type: none"> Debt to Income Ratio <p>What is the ability of HCDE to cover its debt payments?</p>
<p style="text-align: center;">Unassigned Fund Balance 11,970,558</p> <p style="text-align: center;">-----</p> <p style="text-align: center;">Total Fund Balances 30,164,785</p> <p>Goal : >75%</p> <p>Benchmark: 50% to 75%</p> <p>Danger: <50%</p>	<p style="text-align: center;">Annual Principal and Interest Payments on Term Debt and Capital Leases 1,793,859</p> <p style="text-align: center;">-----</p> <p style="text-align: center;">G/F Revenue Less Facility Charges 38,854,532</p> <p>Goal : <25% of annual revenue</p> <p>Benchmark : 25% to <49%</p> <p>Danger : Under < 50%</p>

40%

Details on Schedule 1

Budgeted
50%

5%

Details on Schedule 5

Budgeted
7%

INTERIM FINANCIAL REPORT (unaudited)

As of June 30, 2013

Indicators of efficiency



- Tax Revenue to Total Revenue Ratio**

How efficient is HCDE at leveraging local taxes?

- Indirect Cost to Tax Ratio**

How much dependency on indirect cost from grants?

Total Tax Revenue 18,897,255

Total Revenue 76,001,097

Goal : < 20% of revenue
 Benchmark: 20% to 30%
 Danger: More than 30%

Indirect Cost General Fund 1,455,794

Total General Fund Revenues 42,774,201

Goal : >5%
 Benchmark : 2% to 5%
 Danger : Under < 2%



Details on Schedule 2



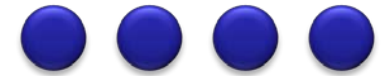
Details on Schedule 3



INTERIM FINANCIAL REPORT (unaudited)

As of June 30, 2013

Indicator of revenue growth



<ul style="list-style-type: none"> • Fee for Service Revenue Ratio How are revenues spread across All Funds? 	<ul style="list-style-type: none"> • Fee for Service Revenue Growth Ratio What is the market growth for fee for services?
<p style="text-align: center;">Total Fee for Service Revenues (G/F) \$19,652,142</p> <p style="text-align: center;">-----</p> <p style="text-align: center;">Total Revenues \$76,001,097</p> <p>Goal : > 30% of annual revenue Benchmark: 10% to 29% Danger: Under 10%</p>	<p style="text-align: center;">Fee for Services Current Year Less Fee for Services Last Year \$19,652,142-18,952,058</p> <p style="text-align: center;">Fees for Service Last Year \$18,952,058</p> <p>Goal : >3% + growth Benchmark : 0% to 3% Danger : Under < 0%</p>

26%

Budgeted
21%

Details on Schedule 13-

4%

Budgeted
-4%

Details on Schedule 13-

FY 2012-13 FUND BALANCE – BUDGETED ACTIVITY

FUND BALANCE CATEGORY	Sept 1, 2012 Beginning Unaudited	Sept. 12 – Dec.12	Feb-April 13	April-May 13	Est. F/Bal 8-31-13
Inventory	107,799				\$107,799
Asset Replace Schedule	1,200,000				800,000
Bldg & Vehicle Replacement Schedule	1,300,000	(500,000)			1,200,000
Carryover encumbrances	98,413		(91,651)		6,762
Deferred Revenue –HP Schools	103,300				103,300
Deferred revenues	3,920				3,920
Emp. Retire Leave Fund	1,250,000				1,250,000
PFC Construction	630,000			(350,000)	280,000
Early Childhood Intervention Funding	700,000				700,000
Insurance Deductibles	400,000				400,000
NEW Payroll System	250,000	(250,000)			0

FY 2012-13 FUND BALANCE – BUDGETED ACTIVITY

FUND BALANCE CATEGORY	Sept 1, 2012 Beginning Unaudited	Dec'12	Jan'13	Feb-Apr'13	April-May 13	Est. F/Bal 8-31-13
PFC Lease payment	807,915					807,915
Program start up	565,000					565,000
Local Construction Fund 170	572,780	(570,000)				2,780
QZAB Renovation Projects	428,228	(428,228)				0
QZAB bond payment	697,833					697,833
Safe & Secure Schools Project	125,000	(125,000)				0
Unemployment Liability	158,000					158,000
Total Reserves:	9,398,188	(1,873,228)		(91,651)	(350,000)	\$7,083,309
Unassigned:	12,425,483	(154,925)	(300,000)			11,970,558
Total Est. Fund Balance:	21,823,671	(2,028,153)	(300,000)	(91,651)	(350,000)	\$19,053,867

INTERIM FINANCIAL REPORT (unaudited)

GENERAL, SPECIAL REVENUE, DEBT SERVICE FUNDS AND INTERNAL SERVICE FUNDS

Revenues

Budget to Actual at June 30, 2013

Fund	Budget	Received/Billed	%
General Fund	\$ 46,131,779	42,774,201	93%
June is the end of the 10th month or approximately 83% of the fiscal year.			
(1) This amount includes accounts receivable billed.			
Special Revenue Funds	50,495,307	27,176,002	54%
Most grant periods differ from fiscal year.			
(2) Grants are on monthly reimbursement basis; subsequently billed			
Debt Service Fund	2,652,898	1,793,859	68%
(3) This fund has activity in February (interest and principal payments) and in August (interest only payment).			
PFC Fund	-	18	0%
Trust and Agency Fund	-	5,219	0%
Worker's Comp. Fund	464,082	331,913	72%
Internal Service Fund	5,811,200	3,919,885	67%
Total as of the end of the month	\$105,555,266	\$76,001,097	72%

INTERIM FINANCIAL REPORT (unaudited)

GENERAL, SPECIAL REVENUE, DEBT SERVICE FUNDS and INTERNAL SERVICE FUNDS

Expenditures

Budget to Actual at June 30, 2013

Fund	Budget	Encumbered/Spent	%
General Fund	\$48,901,583	\$34,433,087	73%
(1) Encumbrances as of the end of the month total.		1,277,813	Encumbrances
May is the end of the 9th month or approximately 75% of the fiscal year.			
Special Revenue Fund	50,495,307	29,842,507	73%
(2) Encumbrances as of the end of the month total.		6,901,680	Encumbrances
Most grant periods differ from fiscal year.			
Debt Service Fund	2,652,898	1,793,859	84%
(3) This fund has activity in February (interest and principal payments) and in August (interest only payment).			
PFC Fund	27,515	-	98%
Trust and Agency Fund	-	6,342	0%
Worker's Comp. Fund	464,082	222,969	48%
Internal Service Fund	5,811,200	3,919,669	75%
Total as of the end of the month	\$ 108,352,585	\$70,218,433	73%

INTERIM FINANCIAL REPORT (unaudited)

FY 2012-13 Donations Report * All Funds as of June 30, 2013

MONTH	CASH	IN-KIND	TOTAL
September	\$ 2,850.00	\$ 1,447.00	\$4,297.00
October	\$1,186.39	\$3,844.00	\$5,030.39
November	\$1,819.40	\$8,170.74	\$9,990.14
December	\$ 2,700.00	\$28,038.00	\$30,738.00
January	\$11,180.00	\$3,429.00	\$14,609.00
February	\$2,092.86	\$12,754.00	\$14,846.86
March	0	\$2,195.27	\$2,195.27
April	\$372.00	\$2141.00	\$2,513.00
May	\$2772.00	\$12,584.00	\$15,626
June	\$319.40	\$2,689.17	\$3,008.57
July			
August			
Total:	\$ 25,292.05	\$ 77,292.18	\$102,854.23

INTERIM FINANCIAL REPORT (unaudited)

HCDE Donation Report

CENTER FOR GRANTS DEVELOPMENT ON BEHALF OF HCDE DIVISIONS								
June 1st through June 30th, 2013								
<i>Donor Last Name</i>	<i>Donor First Name</i>	<i>Organization/Division</i>	<i>Site</i>	<i>Sponsored Division</i>	<i>Description of Donation</i>	<i>Cash Totals</i>	<i>In-kind Totals</i>	<i>Totals</i>
Collins	Linda		HCDE	Head Start	Car seat; baby bouncer; clothes; books; toys; pairs shoes		\$256.50	\$256.50
Pineda	Juan C.		HCDE	Head Start	Microphone/speaker		\$125.00	\$125.00
Roberson	Denice		HCDE	Head Start	Pencils; crayons; goodie bags; activity books		\$407.96	\$407.96
Claxton	Jackie		HCDE	Head Start	Gift bags		\$650.00	\$650.00
		Banfield Pet Hospital	HCDE	Head Start	Child stethoscopes; animal health models		\$305.00	\$305.00
Johnson	Olivia	True Vine Baptist Church	HCDE	Head Start	Cups; crayons; activity sheets		\$80.00	\$80.00
Gray	Lori	Horace Mann Insurance	HCDE	Business Services	Refreshments for School Finance Council	\$319.40		\$319.40
Rangel II	Gabriel	Quiznos I-10 @ Silber	HCDE	CASE	Refreshments for Kids' Day at Hobby Center		\$215.96	\$215.96
Walp	Leila	Catering by George	HCDE	CASE	Refreshments for Kids' Day at Hobby Center		\$648.75	\$648.75
TOTALS						\$319.40	\$2,689.17	\$3,008.57

Legend: CASE=Cooperative for After-School Enrichment; HCDE=Harris County Department of Education

Compiled by: Resource Development

Note: Reported donations are derived from work performed by HCDE divisions.

4/30/2013

INTERIM FINANCIAL REPORT (unaudited)

TAX COLLECTIONS COMPARATIVE ANALYSIS Fiscal Year-To-Date at June 30, 2013

	August	September	October	January	February	March	April	May	June
	ADOPTED	ADOPTED	ADOPTED	ADOPTED	ADOPTED	ADOPTED	ADOPTED	ADOPTED	ADOPTED
	TAX RATE	TAX RATE	TAX RATE	TAX RATE	TAX RATE	TAX RATE	TAX RATE	TAX RATE	TAX RATE
Proposed Collections Tax Year 2012	0.006617	0.006617	0.006617	0.006617	0.006617	0.006617	0.006617	0.006617	0.006617
Certified Taxable Value per HCAD *	\$ 258,924,593,035	\$ 275,257,461,225	\$ 282,032,945,388	\$ 290,306,211,979	\$ 290,529,597,830	\$ 290,720,199,966	\$ 290,499,247,476	\$ 290,302,621,474	\$ 289,721,367,016
Values under protest or not certified	16,902,509,314	13,749,674,037	8,239,394,016	960,773,971	627,802,255	336,827,774	78,344,913	162,953,665	149,618,240
	275,827,102,349	289,007,135,262	290,272,339,404	291,266,985,950	-	291,057,027,740	290,577,592,389	290,465,575,139	289,870,985,256
/ Rate per Taxable \$100	2,758,271,023	2,890,071,353	2,902,723,394	2,912,669,860	2,911,574,001	2,910,570,277	2,905,775,924	2,904,655,751	2,898,709,853
X Tax Rate	18,251,479	19,123,602	19,207,321	19,273,136	19,265,885	19,259,244	19,227,519	19,220,107	19,180,763
X Estimated 99% collection rate	18,068,965	18,932,366	19,015,247	19,080,405	19,073,226	19,066,651	19,035,244	19,027,906	18,988,955
+Delinquent Tax Collections	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
+Special Assessments	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
+ Penalty & Interest	130,500	130,500	130,500	130,500	130,500	130,500	130,500	130,500	130,500
Estimated Current Tax Available	\$ 18,459,465	\$ 19,322,866	\$ 19,405,747	\$ 19,470,905	\$ 19,463,726	\$ 19,457,151	\$ 19,425,744	\$ 19,418,406	\$ 19,379,455

INTERIM FINANCIAL REPORT (unaudited)

TAX COLLECTIONS Fiscal Year-To-Date at June 30, 2013

TAX YEAR 2012 COLLECTION SUMMARY					
DESCRIPTION	BUDGET	CURRENT MONTH	Y-T-D	BALANCE (OVER) / UNDER	Y-T-D % OF BUDGET
REVENUES:					
Current Tax	\$18,258,628	\$67,109	\$18,713,153	(\$454,525)	102%
Delinquent Tax *	250,000	11,820	171,475	\$78,525	69%
Penalty & Interest	130,500	19,628	167,176	(\$36,676)	128%
Special Assessments and Miscellaneous*	10,000	850	176,426	(\$166,426)	1764%
Subtotal Revenues:	\$18,649,128	\$99,407	\$19,235,906	(\$586,778)	103.1%
DESCRIPTION	BUDGET	CURRENT MONTH	Y-T-D	BALANCE (OVER) / UNDER	Y-T-D % OF BUDGET
EXPENDITURES:					
LESS: HCAD Fees	\$155,000	\$38,253	\$151,258	\$3,742	98%
LESS: HCTO Fees	383,497	0	380,038	\$3,459	1%
Subtotal Expenditures:	\$538,497	\$38,253	\$531,296	\$7,201	3%
Net Tax Collections:	\$18,110,631	\$61,154	\$18,704,610	(\$593,979)	103.3%

2012 Tax Rate = \$0.006617/\$100 Property Assessment/Appraisal

Annual Tax on a \$200,000 Residential Property = \$13.23 (Without considering any eligible exemptions.)

INTERIM FINANCIAL REPORT (unaudited)

INTERIM CURRENT TAX REVENUE ESTIMATES REPORT

Dated June 30, 2013

	SCENARIO (1) APPRAISED VALUE HCAD	SCENARIO (2) OWNER'S VALUE OWNER REQUESTED	SCENARIO (3) EST FINAL VALUE COMMITTEE RECOMMENDED
Property Use Category Recap-Certified To Date -Report:			
Taxable value	\$289,721,367,016	\$289,721,367,016	\$289,721,367,016
PLUS: Uncertified Roll Summary Report:			
Scenario (1) Appraised value	813,568,341	-	-
Scenario (2) Owner's value	-	717,461,614	-
Scenario (3) Estimated final value	-	-	149,618,240
Total taxable value, Certified and Uncertified:	<u>\$290,534,935,357 (A)</u>	<u>\$290,438,828,630 (A)</u>	<u>\$289,870,985,256 (A)</u>
Calculate Interim Current Tax Revenue Estimate:			
1) (A) divided by 100	\$2,905,349,354 (B)	\$2,904,388,286 (B)	\$2,898,709,853 (B)
2) Current Tax Rate	<u>X 0.006617 (C)</u>	<u>X 0.006617 (C)</u>	<u>X 0.006617 (C)</u>
3) 2013 Interim Current Tax Revenue Estimate, at 100% Collection Rate, (B) X (C)	<u>\$19,224,697 (D)</u>	<u>\$19,218,337 (D)</u>	<u>\$19,180,763 (D)</u>
4) Interim Tax Rev Estimate @ 99% Collection Rate:	<u>\$19,032,450 (E)</u>	<u>\$19,026,154 (E)</u>	<u>\$18,988,955 (E)</u>
Comparison of Interim Tax Rev Estimate @ 99% Collection Rate with Interim Current Tax Revenue Est:			
Interim Current Tax Revenue Estimate Over/(Under)			
Current Tax Revenue, Currently Budgeted:			
Interim Current Tax Revenue Estimate (E)	\$19,032,450 (E)	\$19,026,154 (E)	\$18,988,955 (E)
LESS: Tax Revenue, Currently Budgeted	<u>\$18,649,128 (F)</u>	<u>\$18,649,128 (F)</u>	<u>\$18,649,128 (F)</u>
Total Interim Current Tax Revenue Estimate Over/(Under)			
Current Tax Revenue, Currently Budgeted, (E) - (F):	<u>\$383,322</u>	<u>\$377,026</u>	<u>\$339,827</u>
Total Current Tax Revenue Received, June 2013, 1993-571100**:	<u>\$18,713,153</u>	<u>\$18,713,153</u>	<u>\$18,713,153</u>

INTERIM FINANCIAL REPORT (unaudited)

DISBURSEMENTS – ALL FUNDS

June 2013

DESCRIPTION	DISBURSEMENTS	AMOUNT
All Funds	631 Checks	\$1,881,061.44
P Card – May 2013	461 Transactions	\$71,270.62
Bank ACH - payroll liabilities	3 Transfers	\$1,424,836.16
	Total:	\$3,377,168.22

Notes:

(A) All Purchase Orders and Payment Authorizations are reviewed before disbursement.

(B) All Procurement Card charges are reviewed by cardholder, supervisor, and business office staff each month.

(C) A report on CH Local expenditures is included in the monthly report.

INTERIM FINANCIAL REPORT (unaudited)

Segment Division Data

As of June 30, 2013

<u>BUDGET MANAGER TITLE</u>	<u>Revenues</u>	<u>Tax Subsidy</u>	<u>Expenditure and Encumbran</u>	<u>Includes Tax subsidy Variance</u>	<u>w/o Tax Profit Ratio</u>	<u>Profitability Variance</u>
Alternative Certification	\$ 100,924	\$ 2,095	\$ 152,474	\$(49,455)	-51%	\$(51,550)
Choice Partners Cooperative	2,373,206	-	1,411,513	961,693	41%	961,693
Records Management	1,063,064	107,701	1,224,641	(53,875)	-15%	(161,576)
Special Education - Therapy Services	7,023,947	-	6,525,300	498,647	7%	498,647



**HIGHLIGHTS
Of
BUDGET AMENDMENT REPORT
July 16, 2013
Board Meeting**

(unaudited)

Amendments

General Fund = \$352,832

Special Revenue Funds = \$ 2,282,729



Texas Comptroller
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INTERIM FINANCIAL REPORT (unaudited)

FY 2012-13 BUDGET AMENDMENT REPORT

June 30, 2013

General Fund

GENERAL FUND (199)

Various Divisions and Department Wide (DW)

Increase expenditures-Variou Divisions-Budget Distribution for Legal Fees	\$	79,318
Decrease expenditures-DW Distribute Legal Fees Budget to Divisions		(79,318)
Total Various Divisions and DW		<u>0</u>

Department Wide (DW)

Increase revenues and expenditures-HISD Contract Close Out North Forest ISD		368,703
Total Department Wide		368,703

Cooperative for After School Enrichment (CASE) Local

Decrease revenues & expenditures-Revised Revenues Projections		(15,871)
Total CASE-Local		<u>(15,871)</u>

Total GENERAL FUND:

\$ 352,832

INTERIM FINANCIAL REPORT (unaudited)

FY 2012-13 BUDGET AMENDMENT REPORT

June 30, 2013

General Fund

SPECIAL REVENUE FUND

Cooperative for After School Enrichment (CASE) Local

Increase revenues & expenditures-Fed Budget Carryover-Revised Revenues (Fund 288-2)	87,307
Increase revenues & expenditures-Fed 21st Century Cycle 7 Year 4 (Fund 265-4)	2,161,612
Total CASE	2,248,919

Head Start

Increase revenues and expenditures-Local Hogg Foundation-Healthy Mind/Child (Fund 496-3)	33,810
Total Head Start-Local	<u>33,810</u>

Total SPECIAL REVENUE FUNDS:

\$ 2,282,729

INTERIM FINANCIAL REPORT (unaudited)

I certify that the foregoing information is true and accurate to the best of my knowledge.

/s/ Jesus J. Amezcua, CPA, Asst. Supt. for Business Support Services

/s/ Rosa Maria Torres, Chief Accounting Officer

/s/ John Weber, MBA, RTSBA, Accounting and Reporting
Compliance Officer

/s/ Antonia Yvette Hamm, RTSBA, Accounting Manager

Q & A



Texas Comptroller
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